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NASA Procedural Requirements

COMPLIANCE IS MANDATORY

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Subject: Budget Formulation

Responsible Office: Office of the Chief Financial Officer

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Appendix A. Definitions Related to Budget Formulation

A.1 Amendment. A proposed action that revises the President's budget request and is transmitted prior to completion of action on the budget request by the Appropriations Committees of both Houses of Congress. **A.2 Agency Execution Plan.** A detailed financial plan used to determine how funds will be allocated. It is based on the Agency Operating Plan and is typically time phased. **A.3 Agency Management and Operations (AM&O).** A cost category for Headquarters activities such as the Administrator and his or her immediate staff, Mission Directorate management, Headquarters operations management, and functional management that is managed through a common cost pool. **A.4 Agency Operating Plan.** The plan that sets forth the specific amount of appropriated dollars that will be spent in the fiscal year to fulfill NASA's mission and the specific purposes for which the funds will be used. NASA's operating plans are approved by OMB and provided to Congress for a 15-day review period before being executed. **A.5 Appeal.** An application to a recognized authority for reconsideration of a prior or proposed decision. **A.6 Apportionment.** A distribution made by OMB of amounts available for obligation in an appropriation or fund account into amounts available for specified time periods, programs, activities, projects, objects, or any combination of these. The apportioned amount limits the obligations that may be incurred. **A.7 Appropriation.** A provision of law authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority. **A.8 Budget.** A financial plan for a definite period of time that estimates future cost for approved levels of effort; the total sum of money set aside or needed for a purpose. **A.9 Budget Authority.** The authority provided by law to incur financial obligations that will result in outlays. Specific forms of budget authority include appropriations, borrowing authority, contract authority, and spending authority from offsetting collections. **A.10 Budget Resolution.** A concurrent resolution passed by both the House and Senate that

sets forth a revenue and spending plan for the budget year and at least four outyears. The plan consists of revenue and spending targets with which subsequent appropriation acts and authorization acts are expected to comply. A.11 **Budget Year**. The fiscal year for which the budget is being developed. A.12 **Capital Assets**. Property, plant, equipment, and software developed, manufactured, transferred, or acquired that meet NASA's capitalization criteria, also known as the capitalization threshold. NASA capitalization policy is contained in NPR 9250.1, "Property, Plant, & Equipment and Operating Materials and Supplies." A.13 **Center Management and Operations (CM&O)**. A cost category that captures all of the general and administrative (G&A) activities required to operate and maintain a Center. A.14 **Congressional Budget Justification (CBJ)**. Also known as the President's Budget Request. This is an annual NASA budget document that includes budget estimates at the program and project level detail, and provides descriptive and justification for the budget. NASA tailors the CBJ to include performance data which integrates the budget and performance into one document. A.15 **Construction of Facilities (CoF)**. A cost category that provides funding for revitalization projects (repair, rehabilitation, and modification of existing facilities), construction of new facilities, acquisition of related collateral equipment, environmental compliance and restoration activities, design of facilities projects, and advanced planning related to future facility needs. A.16 **Continuing Resolution**. Legislation in the form of a joint resolution enacted by Congress to provide budget authority for Federal agencies and programs to continue in operation until regular appropriations acts are enacted. A.17 **Control Account**. A major budgetary account identified in the Strategic Planning Guidance (SPG). These controls are used to set the budget accounts in the finance system (N2). CAMs must ensure that these dollar amounts match in NASA budget formulation system and the Program Analysis and Alignment (PAA) Reports submitted to PA&E. Changes to controls for dollar amounts and Full-Time Equivalents (FTEs) are identified in the Program Decision Memorandum (PDM) and Programmatic and Institutional Guidance (PaIG). A.18 **Control Account Managers (CAMs)**. Senior Agency officials who manage major budgetary accounts and are responsible for development and execution of the budget content for those accounts. Specific CAMs are identified by title in the SPG. A.19 **Cost**. The price or cash value of the resources used to produce a program, project, or activity. OMB Circulars providing instructions on estimating specific types of cost are listed in the terms section of OMB Circular No. A-11. Costs may be directly associated with a specific program or project or they may be indirect and assessed to programs and projects based on predetermined criteria. A.20 **eBudget**. The on-line system containing budget information and guidance, accessible only by authorized NASA employees. A.21 **Fiscal Year**. The Government's accounting period. The Federal Government's fiscal year begins on October 1 of one calendar year and ends on September 30 of the following calendar year. It is designated by the calendar year in which it ends. A.22 **Full Cost**. The total cost to the Agency to conduct a program or project. Full cost includes costs directly attributable to the program or project, such as program contracts, an appropriate share of Center and Agency-wide overhead costs, and the costs of any shared services that the program or project utilizes. A.23 **Full-Time Equivalent (FTE)**. The basic measure of the levels of employment used in the budget for civil servants. It is defined as the number of total hours worked divided by the maximum number of compensable hours in a fiscal year. The number of compensable hours in the relevant fiscal years is provided in OMB Circular No. A-11. A.24 **MAX**. The OMB information system that is used to collect and process much of the information required from each Agency for preparing the Federal budget. MAX consists of a series of schedules that are sets of data within the MAX database. Each schedule describes a view or slice of the President's budget. A.25 **Mission**. A major function or

operation of the Agency and the highest activity level of the NASA budget framework. Missions are required to accomplish an Agency goal or effectively pursue a scientific, technological, or engineering opportunity directly related to an Agency goal. In a broader context, mission refers to the purpose of the Agency. NASA's Mission Statement is: "To pioneer the future in space exploration, scientific discovery, and aeronautics research."

A.26 New Obligational Authority (NOA). Budget authority contained in NASA's current fiscal year appropriations act. **A.27 NASA Five Year Plan (NFYP).** NASA submits its CBJ with a budget runout and justification that covers the budget year plus five additional years. **A.28 Obligation.** A binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally. **A.29 Outlay.** A payment to liquidate an obligation. Outlays generally are equal to cash disbursements but also are recorded for cash-equivalent transactions, such as Federal employee salaries and debt instruments. Outlays are the measure of Government spending. **A.30 Outyears.** The fiscal years following the budget year. Budget development typically includes four outyears. **A.31 Passback.** OMB's notification to agencies of budget, management, and policy decisions following its analysis and review of all Agency budget submissions. Passback data is pre-decisional in nature, and confidentiality must be maintained. **A.32 Pre-decisional Data.** Data developed during the Strategic Planning Guidance development and the Programming and Budgeting Phases, including the nature and amounts of the President's decisions and underlying materials. This data is confidential. It may not be released outside of the Agency until transmitted to Congress, and the material underlying those decisions should not be released at any time except in accordance with OMB Circular No. A-11, Section 22. Outyear discretionary data is also considered pre-decisional and may not be released without prior OMB approval. OMB Memorandum [M-01-17](#), dated April 25, 2001, emphasizes the need for confidentiality of pre-decisional information. **A.33 Program.** A strategic investment by a Mission Directorate or Mission Support Office that has defined goals, objectives, architecture, funding level, and a management structure that supports one or more projects. Additional information on programs may be found in NPR 7120.5, "NASA Program and Project Management Processes and Requirements." **A.34 Program Financial Plan (PFP).** A detailed budget request presented in the work breakdown structure. **A.35 Project.** A specific investment identified in a Program Plan having defined goals, objectives, requirements, lifecycle cost, a beginning, and an end. A project yields new or revised products or services that directly address NASA's strategic needs. They may be performed wholly in-house, by government, industry, academia partnerships, or through contracts with private industry. Additional information on projects may be found in NPR 7120.5. **A.36 Settlement.** After passback OMB provides a letter to the Agency indicating all final decisions to prepare the President's Budget Request. **A.37 Supplemental.** An appropriation request submitted after completion of action on an annual appropriations bill by the Appropriations Committees of both Houses. **A.38 Theme.** An element of the NASA budget structure that divides the NASA Mission into strategic categories of one or more programs (e.g., Earth Science, Heliophysics, Planetary Science, and Astrophysics are NASA themes that fall under its Science Mission Directorate).

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